

Apereo Foundation

Fiscal Sponsoree Welcome Information and Policies

Updated January 17, 2024

OVERVIEW	3
Statement of Policy	3
Key Points of Fiscal Sponsor/Sponsoree Relationship	3
Fiscal Sponsoree Assessment Process	4
Process Overview	4
Charitable Purpose	4
Legal Entity	4
Time Frame	4
Lobbying	5
Existing Resources and Obligations	5
Steps Before the Agreement	6
Fiscal Sponsoree Agreement	6
Fiscal Sponsoree Resources and Policies	6
Cash Management	6
Budgeting and Estimates	6
Code of Conduct	7
Communications & Email	7
Computers and Equipment	8
Contracts	8
Design Software	8
Documentation and Record Retention	8
Expenses	8
Out-of-Pocket Expense Policy	8
Mileage & Tolls	9
Fundraising	9
Donations	9
Registrations	10
Service Fees	10
Sponsorships and Grants	10
Human Resources & Personnel Management	11
Contractors	11
Employees	11
Personnel Time Tracking	11
Insurance	11
Intellectual Property	12
Legal Resources	12
Lobbying	13
Online Event Platform	13
Password Management Software	13
Fiscal Sponsoree Reports to AF	13
Social Media and Websites	14
Swag	14
Travel Grants	14
Costs covered by the travel grant:	14
Visa or Invitation Letters	15
Fiscal Sponsoree Welcome Information and Policies	

OVERVIEW

This guide applies to all Apereo Foundation (AF), fiscal sponsoree applicants (FSA), and fiscal sponsorees (FS); the guide has been created to provide information about how new FS are assessed, the FS agreement, and resources and policies available to FS.

Statement of Policy

AF and each FS are accountable to our donors, sponsors, grantors, and users to ensure that we manage their contributions and our expenses wisely while pursuing AF's charitable mission. AF expects each FS to use good judgment and to claim reimbursement for only those expenses that are necessary and reasonable. Excessive expenses, including but not limited to luxury accommodations and services unnecessary for, or unrelated to the furtherance of AF's charitable mission are not eligible for reimbursement.

Key Points of Fiscal Sponsor/Sponsoree Relationship

1. **AF reimburses allowable expenses only.**

If you have any questions about whether an expense will be allowable, check with AF first. Non-allowable expenses will not be reimbursed. AF will work with the FS to create a budget to support resource planning and asset management. Unbudgeted expenses are okay if approved by AF Controller.

2. **Contracts must be signed by AF.**

Any contract (in time/money/services, for revenue or expenses) **must be vetted and approved by AF** before it is signed.

3. **All FS activities must tie to AF's charitable mission.**

All activities of the FS must match [AF's charitable mission](#) in order to maintain AF's tax-exempt status granted by the US Internal Revenue Service.

to assist academia in developing, adopting, and maintaining open source software for teaching, learning, and research.

4. **All FS must follow AF Code of Conduct.**

As a fiscally sponsored project, FS represent AF. FS are responsible for upholding professional norms, especially AF's Code of Conduct.

5. **FS net revenue is subject to a 10% administrative fee.**

AF charges a 10% administrative fee to cover expenses associated with the fiscal sponsorship program. The 10% management fee is calculated from net revenue (gross

revenue less refunds and payment processing fees) and will be adjusted from the fiscal sponsoree's fund balance on a monthly basis.

Fiscal Sponsoree Assessment Process

Process Overview

Fiscal Sponsoree Applicants (FSA) typically contact AF at fiscal-sponsors@Apereo.org to ask for more information about the fiscal sponsorship program. AF will complete a [fiscal sponsorship assessment template](#) with the FSA by phone or other online meeting (multiple, if necessary). The FS Committee will review the application and communicate with the FSA regarding additional questions. If the FS Committee believes the FSA is a good fit with AF, the FS Committee will recommend to AF Finance Committee and/or AF Board that the FS be added as a fiscal sponsoree. From there, the FS Committee and/or AF staff work with the FS to sign a FS agreement and begin onboarding.

Charitable Purpose

Each FSA must state the charitable purpose of their project in their application. AF will compare the stated purpose for each FSA to determine whether the project fits with [AF's charitable mission](#). The FSA's purposes must fit into AF's charitable mission in order to maintain AF's 501(c)(3) status and in order for AF to consider admitting the potential FS into AF's fiscal sponsorship program.

Legal Entity

The FSA will describe the type of legal entity they are, if any, in the application. AF must consider what type of legal structure a FSA is in order to understand the tax impact for federal and state purposes, as well as legal matters. The applicant will also describe whether the group is currently in, or was previously in, any other fiscal sponsorship arrangements and why the group is looking for a new fiscal sponsor. AF offers Model A fiscal sponsorships; Model A means that there is no separate legal entity for the project, so AF takes legal, financial and other comprehensive responsibility for the project.

Time Frame

The FSA should provide information about the time frame of their project, such as whether the project covers a specific period (i.e. one year) or whether the project is open-ended.

Lobbying

The FSA should disclose any current political or lobbying activity in their application. Note that 501(c)(3)s and their FS are not allowed to participate in political or lobbying activity without risking loss of AF's IRS charitable status.

Existing Resources and Obligations

The FSA will describe the resources and contractual obligations the FSA is bringing into the relationship.

For example, the FSA should provide information about the type of current project personnel (i.e., employees, volunteers, or independent contractors). Then, if the FSA is accepted, the preferred personnel type for each member of current personnel.

The FSA should provide information about assets (cash and cash equivalents, incoming contributions/grants, funds held for specific purposes, intellectual property including trademarks/copyrights/contact lists etc.), and physical assets including computers, servers, furniture, etc. In addition, the FSA should list liabilities (invoices payable, debt, etc.) that the FS currently owes and would like to transfer to AF. For each asset or liability, the applicant should specify which assets or liabilities are intended to transfer in entirety to AF and which, if any, are to be licensed to AF.

How will the FSA earn income? Will sales of services or products, as well as fundraising, be part of the revenue model? Are there plans to earn revenue in new ways that the FSA has not in the past?

The FSA should discuss what types of activities they would like AF to fulfill. For example, some fiscal sponsors have a fundraising system, but not an accounting system to track expenditures of the project in order to update donors on the project's fiscal progress.

The FSA should disclose information about any active contracts, which need to be re-evaluated if the FSA is accepted. The FSA will also discuss the methods of documentation and repository (if any) currently in use.

The FS should provide information about current insurance coverage and what types of risks the project faces.

In addition, the FSA should discuss whether it has current members and sponsors without disclosing names.

The FSA should compile a list of its public-facing sites and social media, including Mastodon, X (previously Twitter), Facebook, Instagram, Meetup pages, and the main website.

Steps Before the Agreement

AF's FS working group will review the application and may ask follow-up questions to best understand the project. Sometimes these questions may be handled asynchronously and sometimes require follow-up calls/meetings with the FSA.

The FSA will work with AF to develop a budget and strategic plan so that cash flow and resource requirements can be understood.

The FSA should provide information to AF regarding insurance coverage transition.

The FSA will adopt AF's Code of Conduct with small adjustments for group-specific first-line moderators or event representatives.

The FSA and AF will create a communication and transition plan for any current members, donors, sponsors, users, etc..

Fiscal Sponsoree Agreement

After AF Board has voted to accept an FSA, AF Accounting sends the FSA a copy of the [Fiscal Sponsorship Agreement](#) via Adobe Echosign.

Fiscal Sponsoree Resources and Policies

Cash Management

AF has banking relationships with several banks, which will be used to support the FS's cash needs. AF will be responsible for managing FS funds and will not manage a separate banking account specific to the FS unless required by a donor.

When the FS moves to AF, AF will work with the FS to transfer cash and/or cash equivalents, if any, to AF accounts. These funds will be tagged to the FS project and regular reporting will be provided.

AF will work with the FS to create a budget in order to manage cash flow.

Budgeting and Estimates

AF will work with the FS annually (or ad hoc for new initiatives/events) to create a cash flow and expense budget for resource planning and asset management. AF/FS may use the [conference budget template](#) or another, similar budget file. The budget will include the various types of revenue streams, from contributions to fees, and expenses specific to the project along with expected timing. If the FS believes that the budget needs to be revisited during the year due to major changes in revenue or expense, then the FS and AF will meet to discuss changes.

All revenue and expense items in the FS budget must tie with AF's charitable mission in order to maintain AF's tax-exempt status.

For conferences, a more detailed budget specific to conference activities must be approved. Detail includes registration price and attendance estimates, food, facilities, technology, security, etc.

The budget will be loaded into Quickbooks Online, which is AF's accounting system. Actual vs. budget results will be reported on a regular basis to the FS; during on-boarding, the reporting frequency will be agreed upon.

Code of Conduct

The FS' conduct reflects on AF and on the broader Apereo community. As such, we expect the leaders and participants in each fiscally sponsored project to uphold positive professional norms and to adopt AF [code of conduct](#). Specifically:

Open: Communicate and collaborate with members of the community, especially those who are unfamiliar with your project. New participants should be accepted and encouraged.

Considerate: Members of the Apereo community should be kind. Be thoughtful and tactful when addressing the efforts of others or approaching differing views.

Respectful: The Apereo community is a professional community, and should embody the highest norms of respect.

For more detail, refer to AF [code of conduct](#).

Failure to uphold high standards of conduct can result in the termination of the fiscal sponsorship relationship.

Communications & Email

Upon request, AF will set up a dedicated email address entitled PROJECTNAME@Apereo.org as part of the on-boarding process. Additional, dedicated emails may also be requested (such as FS-sponsors@Apereo.org).

This email will be used to accept donations, sponsorships, general updates from AF, and other incoming questions about the project. The email address list will include the FS's designated representatives as well as specific AF staff.

AF uses Slack, a real-time team messaging system, for ad hoc communications. AF can set up a dedicated Slack channel for ad hoc communications between project members and AF. Should the FS wish to communicate with other fiscal sponsorees, AF will add the FS's designated individuals to a special Apereo Fiscal Sponsorees channel.

If the FS has a Slack workspace, AF FS committee and Accounting Team should be added to one or more channels to ensure the committee is kept up to date with FS events and activities.

During onboarding, AF will discuss the types of information that should be reported and the frequency the report should be submitted, which will be related to the activity of the project.

Computers and Equipment

Any computers and equipment purchased by AF or the FS to support the FS' project are the property of AF. Computer and equipment purchases should be included in the annual budget; however, in instances where existing equipment does not last its expected life and is necessary to support the FS operations, AF will work with the FS to determine computer and equipment needs and costs.

Contracts

Contracts pertaining to the FS' operations must be reviewed and signed by AF Executive Director in order for the arrangement to be legally binding. Contracts should also be within the approved budget.

Documentation and Record Retention

During the on-boarding process, AF reviews the documentation needs of the FS and whether Github or another system would best support the FS's project.

AF uses a Google Drive folder specific to each FS to share the Agreement and initial fiscal sponsor analysis, contracts, invoices, financial statements, and other documents.

AF also uses Github as an internal documentation repository for each project.

Expenses

All expenses of the FS must fit with AF's charitable mission. If the FS has a question about whether an expense is allowable, please contact AF for feedback.

AF will work with the FS to determine whether a AF PEX debit Visa card may be used for budgeted, approved expenses, including office supplies, travel, meetings, etc.

Out-of-Pocket Expense Policy

In situations in which the FS either does not have a PEX Card or the PEX card cannot be used and immediate payment is required (cash transactions, Visa is not accepted by a vendor, credit card processing systems are not working, etc.), the FS may pay for business expenses out of pocket and be reimbursed after the fact.

Please [download and complete the Out-of-Pocket Expense Reimbursement Request Form](#) to request reimbursement. The report includes sections to explain:

- reason for expenditure
- reimbursement preference (see AF's [Payment Options page](#) for more detail)
- Tabs for meal per diems, mileage, and receipts

The completed report, along with a receipt for each expense, should be emailed by the 5th work day of the month following the expenditure to accounting@apereo.org.

If receipts are not in USD, AF will use published currency conversion rates of the date of the receipt to convert the expense to USD. If you have questions or concerns about our rates, just ask, and we'll be happy to provide details before we send you final payment.

Reimbursements associated with contracts must be vetted and approved by AF in order to be reimbursed

Mileage & Tolls

If trips are budgeted, mileage incurred doing errands or attending meetings/appointments on behalf of the FS from the office is reimbursable. However, personal miles are not reimbursable, nor is mileage that is associated with a car that the FS rents. Tolls incurred doing business of the FS are also reimbursable.

The IRS sets the mileage rate at least once per year to account for the cost of operating a vehicle including: gas receipts, maintenance, and insurance. For 2023, the mileage rate is 65.5 cents per mile.

The mileage reimbursement is considered repayment for business use of a personal vehicle and is not taxable to employees, contractors, or volunteers.

Fundraising

Donations

AF offers logistical fundraising services to FS. Fundraising may be conducted on the FS website, social media, by email, and AF's website and social media.

Donations and sponsorships can be accepted by [various methods](#) including credit card, PayPal, check, ACH, Wise, and wire transfer. Donations made for the FS flow through AF bank accounts and will be tagged to the FS. The FS may request reports about their donors.

- CiviCRM Donation Page
 - AF will create a custom donation webpage to share with donors via email, social media, a link on the FS website, etc. The donation webpage is created in AF's CiviCRM instance. CiviCRM is a FOSS web application designed to support non-profit organizations.
 - Example donation pages [Boston Apereo](#) and [Pallets](#)
 - The donation page is customized by changing the "About" text and the text of the acknowledgement email. These must be set up by AF's Donation Manager (AF-donations@Apereo.org) based on input from the project.
 - Donation acknowledgments in line with US Internal Revenue Service are sent automatically from CiviCRM. Thank you letters are sent to AF-donations@Apereo.org; the project may opt to cc one or more leaders or email lists of the project.
 - The project's own webpage or wiki will provide one or more links to the project's customized CiviCRM/CiviContribute donation webpage.
- Github Sponsors
 - AF can assist FS with setting up payment processes for Github Sponsors.

Registrations

Some FS prefer to offer free-to-the-public events and some prefer to charge an entry, or registration, fee.

AF Accounting recommends [Tito](#) as an easy-to-set up registration system. Some AF fiscal sponsorees prefer [Pretix](#) because it provides additional features; it is also more complicated to set up.

AF has negotiated nonprofit rates for Stripe and PayPal to sit behind registration systems (3% on average for credit card/transaction) to save money for FS.

Service Fees

AF can assist the FS in taking service fees depending on the nature of the exchange.

Sponsorships and Grants

AF provides sponsorship contract templates and forms, which can be customized based on the sponsorship prospectus. The general process flow is as follows:

1. FS works with Sponsor Company/Organization to determine sponsorship level/benefits
2. FS enters sponsor information into a Sponsor Tracking Google Sheet (a Google form may be created if the FS or AF wants one) for each event, and adds a comment with a tag to accounting@apereo.org with the following information:
 - a. Company name
 - b. Company address
 - c. Contact name
 - d. Contact email
 - e. Sponsorship level
 - f. Sponsorship benefits
 - g. Sponsorship amount
 - h. Event or sponsorship term start and end dates
 - i. P.O. number if required by company
3. AF Accounting generates the Sponsorship Agreement and sends to company contact, FS signer, and AF signer with an electronic document system.
4. Sponsorship Agreement is fully executed (signed by all parties)
5. AF Accounting generates and sends an invoice in accordance with the Sponsorship Agreement
6. Sponsor submits payment to AF
7. AF Accounting records the payment in the Sponsor Tracking Sheet and credits the FS account. AF Accounting tags the FS email to let them know the benefits delivery can start.

Human Resources & Personnel Management

AF provides human resources infrastructure to streamline operations for FS. AF will assist the FS in determining whether a resource is an employee or independent contractor.

Contractors

AF requests W-9s and certificates of liability (when needed) for FS independent contractors in order to set up the vendor in AF's accounting system. AF also issues annual 1099s to independent contractors and a 1096 to the US Federal government.

AF will review and approve contracts for independent contractors to ensure clear contract terms. **FS cannot enter into contracts on their own.**

Details about tax forms for vendors and specific tax issues are covered on the [Vendor Policies page of the AF website](#).

Employees

AF provides payroll services for FS employees, which includes bi-weekly paychecks and annual W-2s, as well as documentation required for Federal and State purposes, such as the W-4 and I-9.

AF has an employee handbook to provide guidance to employees about regular employee issues.

Insurance

AF provides liability insurance coverage for FS, as well as Worker's Compensation and Directors & Officers insurance.

When AF on-boards a FS, AF will review the FS's insurance requirements to ensure proper coverage for ongoing projects and special events. During the annual budgeting process, the FS and AF will re-evaluate whether FS-specific insurance needs should be updated.

For conferences, please submit the [event insurance request form](#) at least 3 months in advance of the conference. This form provides AF Accounting information to complete an insurance application specific to the event for AF's insurance broker to issue a quote. Required information includes:

- Attendance estimate (daily and total)
- Security
- Whether alcohol will be served and the amount of alcohol sales expected, as well as who is acquiring the liquor license and serving alcohol.
- Whether any conference-related activities occur offsite
- Any contractual insurance requirements from the venue or other contractors

Once an insurance quote is acquired from the insurance broker, the quote and coverage details will be reviewed with the conference organizer(s), updated as needed, and finalized. Then, a Certificate of Insurance will be produced by the insurance agent and shared with the conference organizer and saved in AF records.

For ongoing events, such as regular meetups and meetings, please provide AF the following information on an annual basis:

- The number of events per month
- Expected number of event attendees
- Type of venue (home, library, restaurant, university, etc.)
- Whether alcohol is allowed at the event

Directors & Officers insurance covers AF's directors and officers actions in relation to all AF business, including directors and officers of the FS. AF maintains Directors and Officers insurance for all operations of AF, including FSs.

Intellectual Property

AF sponsors Apereo open source projects in order to create public benefit. Accordingly, all software developed by AF and its FS shall be made available to the public as open source software, under the terms and conditions of a license approved by the Open Source Initiative (OSI) (<http://www.opensource.org/licenses>). Non-code copyrightable works may also be released under the Open Data Commons Open Database License (ODbL), Database Contents License (DbCL), any version of the Community Data License Agreement (CDLA), the GNU Free Documentation License (GFDL), or any of the following Creative Commons licenses: CC-Zero, CC-BY, or CC-BY-SA, as appropriate and as chosen by the FS. The FS cannot use funds provided through the fiscal sponsorship for private or proprietary benefit, including the development of proprietary software or content.

In instances where trademark protection is needed, or where copyright registration is required, the FS will work with AF legal counsel to appropriately register the copyright or trademark. If a FS identifies a patentable invention, the FS will identify the invention to AF and an appropriate course of action will be identified, consistent with the shared goals and requirements of AF and the FS.

FS should be sure to acquire appropriate rights and/or licenses to images and other content acquired from other websites before reusing the images and content in FS projects and communications.

Legal Resources

AF provides legal support on an as-needed basis. Typically, the Controller or other AF staff will provide a first line of review and response on sponsorship, venue, and other contract matters at no charge to the FS. Most legal matters for AF FS fall into this category. If the legal issue is beyond staff's expertise, legal counsel will be consulted and there may be a charge to the FS.

If the FS wants to file or renew trademarks or copyrights, AF will assess each project on a case-by-case basis to determine the legal requirements. The cost of this type of legal work will be charged to the FS.

Lobbying

AF does not support political or lobbying efforts nor will the FS engage in political or lobbying efforts. Any expenditures derived from unapproved political or lobbying efforts are not reimbursable by AF.

Fiscal Sponsoree Reports to AF

AF requests that fiscal sponsors turn in a brief, quarterly report with updates about the FS's activities and how AF can best provide support. FS may also email fiscal-sponsors@Apereo.org with any questions or comments any time. [Reports](#) should be submitted by the **15th of the month following the end of each quarter**.

Social Media and Websites

Your project is a direct representative of the Apereo Foundation. That is inclusive of any publicizing and/or marketing you do of your project. This can be via websites, blogs, social media, printed material, and/or any other public facing fronts. Because of this, your project should be represented in a way that

follows AF's [code of conduct](#) and [mission](#). If you are ever unsure if your material meets these expectations, feel free to contact us: fiscal-sponsors@Apereo.org.

- Ensure that social media and websites comply with the [Intellectual Property section](#) of this guide.
- How you should tweet and publicize sponsors
 - The FS should not tweet opinions about political activities or use AF sites for lobbying activities.
- How you should solicit donations publicly
 - Please avoid soliciting donors for sub-projects because donations raised on the FS' behalf are already restricted.

Swag

Many FS prefer to sell or provide swag (tshirts, stickers, and other promotional items) to event attendees or to their users.

The FS should review swag sales and delivery logistics to help AF assess sales tax implications and whether it is preferable to sell swag, offer it for free, or request a suggested donation.

Travel Grants

AF encourages offering travel grants to volunteers, conference staff, speakers, students, and other deserving event attendees. AF supports travel grant processes from budgeting to payment. Typically, a Google Form specific to an event is created to collect data about each travel grant recipient (name, address, email) and payment preferences, as well as offering a place to submit receipts.

Costs covered by the travel grant:

- **Airfare**
 - Airplane tickets and baggage fees for travel to/from the event (this can include the price to select a seat, but should not include upgraded seating including exit rows, first class, or business class)
- **Transit:**
 - Transit receipts: taxi, bus, train, and mileage to/from airport, bus station, train station, lodging or conference center, and parking at these locations.
 - Driving: US Mileage is reimbursed using published [IRS mileage rates](#). A PDF or screenshot of the mileage for a trip is needed to provide reimbursement.
 - Gas receipts are not reimbursable or needed.
- **Lodging:**
 - Hotels, motels, hostels, AirBnB, etc. for the days travel grant recipients are at the event.
 - Reimbursement is limited to the proportional individual cost if the room has more than one occupant.
- **Food (Per Diem):**
 - Covers a fixed rate for food and beverage during the days travel grant recipients attend the event, plus a travel day at the beginning and end of the trip.
 - Generally, unless reimbursement for a group meal/beverages, receipts are not needed.

- Per diems are automatically granted to travel grant recipients based on the event attendance days plus up to one travel day before and after conference attendance.
- Per diems will be adjusted if the conference provides meals for an attendee
- **Visa fees:**
 - For non-US nationals who must have a visa to attend the event.
 - This also includes ESTAs, where necessary
 - This does not include visa processing fees or the cost of a service to submit your visa for you

The following costs are not covered in travel grant awards:

- Airport Lounge Access Fees
- On-board/Airport/Hotel WiFi Charges
- Cellular roaming/international charges

Visa or Invitation Letters

Upon request, AF can provide event attendees with a Visa or Invitation Letter, in support of an application for a United States visitor visa. AF may create a Google form to accept letter requests and event attendee information.